



Patrick W. Henning, Director
August 4, 2009
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Arnold Schwarzenegger
Governor

Mr. Jan Vogel, Executive Director
South Bay Workforce Investment Board
11539 Hawthorne Boulevard, Suite 500
Hawthorne, CA 90250

Dear Mr. Vogel:

WORKFORCE INVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the South Bay Workforce Investment Board's (SBWIB) Workforce Investment Act (WIA) grant financial management and procurement systems. This review was conducted by Mr. Larry Yanni from July 20, 2009, through July 23, 2009. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, fiscal monitoring of subrecipients, single audit and audit resolution policies and procedures for its subrecipients and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by SBWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding financial management and procurement for PY 2008-09.

We collected the information for this report through interviews with representatives of SBWIB, a review of applicable policies and procedures, and a review of documentation retained by SBWIB for a sample of expenditures and procurements for PY 2008-09.

BACKGROUND

The SBWIB was awarded WIA funds to operate a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, SBWIB was allocated: \$1,373,824 to serve 250 adult participants; \$1,321,315 to serve 384 youth participants; and \$1,276,038 to serve 400 dislocated worker participants.

For the quarter ending March 30, 2009, SBWIB reported the following expenditures for its WIA programs: \$703,174 for adult participants; \$527,877 for youth participants; and \$650,748 for dislocated worker participants. In addition, SBWIB reported the following enrollments: 200 adult participants; 287 youth participants; and 326 dislocated worker participants.

FISCAL REVIEW RESULTS

We conclude that, overall, SBWIB is meeting applicable WIA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

We conclude that, overall, SBWIB is meeting applicable WIA requirements concerning procurement.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is SBWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Consequently, any deficiencies identified in subsequent reviews, such as an audit, would remain SBWIB's responsibility.

Mr. Jan Vogel

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August 4, 2009

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-7005 or Mr. Larry Yanni at (916) 654-8015.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jessie Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Division

cc: Linda Patton-Finch, MIC 50
Daniel Patterson, MIC 45
Jose Luis Marquez, MIC 50
Georganne Pintar, MIC 50